

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6095**

**BILL NUMBER:** SB 39

**NOTE PREPARED:** Apr 18, 2011

**BILL AMENDED:** Apr 15, 2011

**SUBJECT:** Tax Structure Study.

**FIRST AUTHOR:** Sen. Landske

**FIRST SPONSOR:** Rep. Clere

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the Commission on State Tax and Financing Policy to study how the Indiana income tax structure, including existing and potentially new income tax credits and deductions, may influence a senior's decision on residency in Indiana after retirement. It requires the Commission to study whether each of the local option income taxes affect the ability of political subdivisions to provide services to (1) a facility that employs a significant number of individuals who reside in another county; and (2) the individuals who reside outside the county and commute to jobs at the facility. It requires the Commission to study whether political subdivisions should be provided additional financing options for providing such services. The bill also requires the Commission to study how local option income taxes should be distributed within a county to local units of government.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** This bill requires the Commission on State Tax and Financing Policy to study certain topics concerning Indiana's income tax structure and local option income taxes during the 2011 interim. The Commission must report its findings and recommendations to the Legislative Council before November 1, 2011.

The Commission on State Tax and Financing Policy is a statutory committee with members designated by the Legislative Council. As with other interim committees, the Legislative Council provides funding to the Commission for per diem, mileage, and travel expense reimbursement for Commission members. The Commission, like other interim study committees, is staffed by the Legislative Services Agency.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Legislative Council.

**Local Agencies Affected:**

**Information Sources:**

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